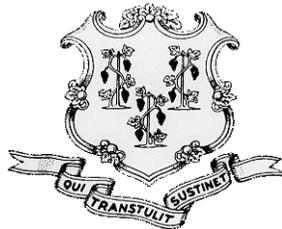


ACCOUNTING MANUAL FOR DECD FINANCIAL ASSISTANCE CONTRACTS



State of Connecticut
Department of Economic and Community Development
Website: [Http://www.ct.gov/ecd](http://www.ct.gov/ecd)



August 1, 2006

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Accounting Manual for DECD Financial Assistance Contracts

PREFACE

The purpose of this Accounting Manual is to provide guidance to entities administering State of Connecticut, Department of Economic & Community Development (DECD) assisted programs. Personnel of the Department of Economic & Community Development have prepared this Manual. For the purpose of this manual, “Agency” means a non-profit agency, housing authority, municipality, for profit developer, corporation or any other entity administering a DECD assisted program.

This Manual is presented on a regulatory basis for reporting to DECD and is not intended to be in accordance with generally accepted accounting principals (GAAP). Project reporting to DECD must be in accordance with the financial statements contained in this manual. If GAAP reporting is required for a particular audit or other funding source, the DECD project can be converted to GAAP by use of adjusting journal entries prepared by the Agency, however the DECD project must continue to be reported on a DECD regulatory basis.

This Manual is provided to assist agencies in setting up and maintaining a proper accounting system that will allow for the accumulation of accurate accounting data, and timely reporting of financial information, for DECD assisted programs. The Manual is organized by budgetary chart of accounts. The accounts that are needed for a particular program may be obtained from the programs Project Financing Plan and Budget.

In consideration of the nature and the number of programs that this manual is intended to cover, some of the accounting procedures and methods defined may not be necessary, others may need to be modified to meet the individual circumstances of a particular program and/or the Agency. All modifications must conform to the Department of Economic & Community Development Policies.

Assistance Agreements and Regulatory Agreements governing these programs provide that the Agency maintain complete and accurate books and records. These books and records should be set up in accordance with this Accounting Manual.

This Manual is intended to cover all financial assistance contracts entered into with DECD with the exception of the Rental Assistance, Congregate Services, Resident Services Coordinator and Housing Rehabilitation programs which are accounted for through a Housing Administration Fund under the direction and oversight of the Asset Management Division. Any questions regarding the use of this Manual should be directed at the appropriate DECD program staff. Many or most of the accounts in this manual will not be needed for a particular program. Activity should be recorded as accurately as possible by the accounts you feel most properly reflect the transaction. Each DECD program is governed by particular program regulations, policies and requirements that will be used in determining the allowability of a particular item or cost. Some items that are not allowable to the State Grant/Loan program may be allowable and properly chargeable to the Local or Matching Share. This Manual is not intended to take the place of specific program requirements and instructions. Any program requirements, regulations, policies, etc. particular to an individual program should be followed. Any questions

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concerning specific program requirements should be directed to the appropriate DECD program staff.

DECD staff will be available to provide assistance in the understanding of this Manual and should be contacted for any questions regarding interpretation and modification. Any comments or suggestions that you have may be directed to the Audit Division of DECD at (860) 270-8209, (860) 270-8210 or (860) 270-8202.

It is anticipated that this Manual will need changes as a result of experience with its use, revisions in the program regulations and input from Agency users. Therefore, periodically, revisions will be sent to all recipients updating portions of this Manual. Agency accountants and program staff administering State-funded programs covered by this Manual are encouraged to furnish the DECD with any suggestions for changes to this Manual based on their experience with its use.

ACCOUNTING PRINCIPLES

The primary objectives of the accounting system described in this Manual are:

1. To provide management with financial data, to assist in the planning, control, measurement, and evaluation required for efficient, economical, and effective operation of the program.
2. To provide management with control of funds and other assets in the custody of the agency, to ensure that the expenditure of funds is in conformity with the current laws and regulations of DECD, to insure, by means of cost control and prudent management, that the most effective use is made of all resources available.
3. To meet the requirements contained in the Assistance Agreement for reporting financial operations.
4. To maintain accounts at the organizational level where responsibility exists, giving due consideration to economy and the availability of accounting data to those who make decisions.
5. To classify and present project costs by cost categories as required for budgeting purposes.

FINANCIAL REPORTING

Reports are the means by which the results of financial operations and the statement of position are presented by the Agency to the DECD. The following principles and standards shall apply in the preparation of financial reports.

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1. Reports shall reflect accurately the results of financial transactions, disclose all essential financial data for the period covered, and contain such other information as bears directly on the financial operations and conditions pertinent to management.
2. Reports and statements comparing results obtained in one period with those of another period may be desired whenever such information is considered significant and useful.
3. Project Financial Statements (DECD Forms E-25 and E-26) must be submitted on a biannual basis for the periods ended June 30 and December 31, until all project related funding (both state share and local share) is expended. These financial statements must be submitted within 30 days from the end of the reporting period.
4. Financial data in each report shall be taken directly from accounting records and must have adequate supporting documentation.
5. An integral part of supporting documentation is the accountant's worksheets. These worksheets should be retained for future review and reference by the Examiners of DECD and/or Independent Public Accountants.
6. Reports must be submitted on forms provided or prescribed by DECD.

NOTE: This Manual is not intended to take the place of specific program requirements and instructions. Any other required reports particular to an individual program (i.e., Status Report, copies of Bank Statements) should continue to be followed and submitted. Any questions concerning specific program requirements should be directed to the appropriate DECD program unit.

INTERNAL CONTROL

The management of each Agency shall be responsible for developing and implementing a system of internal controls that will:

- ◆ Safeguard the assets of the organization
- ◆ Assure the accuracy and reliability of accounting data
- ◆ Promote operational efficiency
- ◆ Encourage adherence to prescribed Managerial Policies, State Statutes, and DECD Rules and Regulations

It is important that each Agency observe the following fundamental requirements in establishing an effective system of internal control:

- ◆ An organization plan which provides for definite placement of responsibility and for specific lines of responsibility.

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- ◆ A division of duties between authorization and record keeping so that the activities of one employee acts as a check on those of another.
- ◆ The use of forms, documents, and procedures that facilitate control and provide for proper approvals.
- ◆ An auditing trail for documenting compliance with policies and procedures, particularly those relating to transactions reflected in the books and records.

The extent to which the above requirements may be expected to exist is related to the size of the organization. The complete separation of functions and the existence of an internal accounting function are not feasible in an organization with a small number of employees. Even in a small organization, however, a high degree of effective internal control may be obtained by the proper plan of organization and division of duties. For example, no individual should be completely responsible for initiating an order, approving the payment, and signing the check for the same transaction. If one person does have authority to approve an order and to approve the invoice, then another authorized official should sign the check.

The Financial Officer or his representative in setting up or examining the internal controls of his organization may use the controls listed below. These controls are not intended to contain comprehensive coverage of all the points which would normally be covered by an auditor making a detailed review of internal control. They are intended, however, to be a general guide for a self-examination by the Agency to ensure proper internal controls. Note that not all of them may be required for a particular program.

Controls:

- (a) All disbursements, except petty cash, must be made by check.
- (b) No checks are to be signed until completely prepared and accompanied by supporting documentation and no checks are to be drawn to “cash” or “bearer” under any circumstances.
- (c) Bank statements are to be independently reconciled by someone other than employees who keep the cash record. The sequence of check numbers is to be accounted for when reconciling the bank statements.
- (d) Checks should not be issued on the basis of verbal authority and a control should be maintained over blank and voided checks.
- (e) DECD’s funds should be maintained in a separate bank account restricted for purposes detailed in the project financing plan and budget (Assistance Agreement). Employees handling cash or checking accounts must be bonded.
- (f) Periodic surprise counts and reconciliation of the petty cash fund should be made.
- (g) When checks are submitted for signature, a voucher along with supporting documents should be presented. Invoices and payment vouchers should be marked “paid” and the check

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number, date, and account classification number should be posted to the invoice and/or payment voucher to prevent their resubmission.

- (h) Cash receipts should be recorded and deposited daily, intact.
- (i) Other contributions should be recorded as received and should be fully documented.
- (j) A furniture and equipment ledger shall be established and maintained which will provide a perpetual inventory of all moveable assets.
- (k) Payroll checks should be distributed by someone other than personnel involved in the preparation of the payroll.

ACCOUNTING RECORDS TO BE ESTABLISHED

Upon execution of an Assistance or Loan Agreement with the DECD, the administering Agency shall establish their books of accounts and related records, necessary to record their transactions. In the event that the administering Agency is administering more than one fund or program, a separate set of books of accounts for each fund or program must be established. Books and records must be complete and accurate. The books of original entry must be kept current at all times, and postings must be made at least monthly to ledger accounts. In establishing a financial accounting system, auditing problems can be avoided by keeping DECD project funds separate from other general or operating funds. Listed below are the books of accounts and related accounting records that may be needed for recording transactions. This section should be reviewed carefully since some of these records are to be used only in conjunction with specific programs. Sample Exhibits have been provided as a general guide. Agencies utilizing a computerized/automated accounting system must be capable of producing similar information in order to provide an audit trail and allow for the necessary reporting to DECD.

1. General Ledger
2. Cash Receipts Journal
3. Cash Disbursement Journal
4. Check Vouchers/Payment Vouchers
5. Journal Vouchers
6. In-Kind Contribution Vouchers
7. In-Kind Contribution Vouchers for Personal Services
8. Payroll and Personnel Records
9. Revolving Fund
10. Contract Register

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1. GENERAL LEDGER:

The General Ledger is an account book in which all the fiscal transactions of the Agency are posted. It presents, in grouped and summarized form, all of the information which is shown in detail in the books of original entry and in other subsidiary records. This is done through an account classification by which all like items are grouped together and their totals furnished. The information furnished in the General Ledger deals with assets, liabilities, income, expense and equity or net worth. The essential facts of the balance sheet, statement of program cost and other related statements are compiled from the General Ledger. Further details are secured from the subsidiary records.

A separate General Ledger is to be established for each fund or project. Individual General Ledger sheets for each account required shall be established and additional sheets added as needed (See Exhibit A). Most likely, a General Ledger will not require all the accounts shown in this Manual. The Agency should use only those accounts necessary to record its transactions. Occasionally, circumstances peculiar to an individual Agency may make it desirable to use an account or accounts not provided for in this Manual. Under such conditions, the Agency may, with the approval of DECD, establish such additional accounts through the use of a Budget Revision to the Project Financing Plan and Budget.

The Agency should establish General ledger accounts with separate columns for Debit and Credit Balances (See Exhibit A). The account balance is calculated and is recorded in the appropriate balance column. Each ledger account shows its ending balance at all times.

2. CASH RECEIPTS JOURNAL:

The Cash Receipts Journal should be designed to fit a particular program. (See Exhibit B). Columns should be captioned using the accounts that will be used frequently. All cash received should be recorded in the Cash Receipts Journal promptly upon receipt.

At the end of the month, the Cash Receipts Journal is footed, and the equality of debits and credits is proven. The total of each column in the Journal is posted to the general ledger account named in the column heading. The amounts in the miscellaneous column are posted to the individual general ledger accounts as indicated by the account numbers.

3. CASH DISBURSEMENTS JOURNAL:

This section deals with the design of a Cash Disbursements Journal for use in recording checks for payment.

The headings of the columns, starting at the extreme left, should be the Date, Payee, Check Number, Check Amount, General Ledger Account Number, Debit and Credit. A sufficient number of columns should be used for the frequently used program cost accounts. The Agency should obtain journal binders and columnar pages that will allow the use of two or more pages in order to attain the number of columns required (See Exhibit C).

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Each disbursement should be recorded in the Cash Disbursements Journal promptly and by consecutive check number. Extension of the amount disbursed is to be recorded from information shown on the voucher.

As an aid to the Agency in assuring that the line items of the *Project Financing Plan and Budget* are not exceeded, posting of the Cash Disbursements Journal to the General Ledger should be kept current so that comparisons may be readily available of actual cost with budgeted cost.

When necessary to void a check, it is recommended that the check number be recorded in the Cash Disbursements Journal for purposes of numerical check control.

The column totals for the month should be posted directly from the Cash Disbursements Journal to the applicable accounts in the General Ledger. A program cost control account may be maintained in the General Ledger to substantiate the individual program/project account totals.

Where more than one account is recorded in a column, as under the General Ledger and Miscellaneous columns, the debit or credit amounts must be summarized by account number prior to posting to the General Ledger.

4. CHECK VOUCHERS/PAYMENT VOUCHERS:

A check voucher (Exhibit D) or payment voucher (Exhibit E) shall be used for the disbursement of all funds. Each voucher shall show the date of preparation, the vendor, a brief description and the signature of the person(s) preparing and authorizing the voucher. No invoice should be vouchered until it has been examined for price extension and terms. No invoice should be paid until vouchered.

All vouchers and cancelled checks should be filed by check number and shall be made available for examination by Independent Public Accountants and/or the Department of Economic and Community Development. Should the Agency desire to keep an accounting of purchases by vendors, a duplicate of the voucher may be filed alphabetically by vendor.

5. JOURNAL VOUCHERS:

Journal vouchers are used to document and record transactions, in the General Ledger and/or Subsidiary Ledgers, which are not recorded from the Cash Receipts or Cash Disbursements Journals. Each journal voucher should detail the transaction recorded and reference related documents or other sources of information, if applicable. Each journal voucher should be signed or initialed by the person preparing the voucher and signed by the person authorized to approve journal vouchers. A method of numbering journal vouchers is to number them consecutively by year and number, for example, the first journal voucher for the year 1999

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would be numbered 99-1; the second would be numbered 99-2; etc. Journal vouchers should be filed by year in numerical sequence.

A journal voucher should not be used to record cash transactions. The journal voucher, as illustrated in Exhibit F, was used to record a Construction Contract awarded to J & M Construction, Inc.

6. IN-KIND CONTRIBUTION VOUCHERS:

In-Kind Contribution Vouchers are used to document all in-kind contributions except personal services (e.g. donated materials, space, etc.). Each voucher should give a description of the contribution, a valuation of the contribution and the basis of valuation. The person authorized to approve In-Kind Contribution Vouchers (See Exhibit G) should approve the voucher. The In-Kind Contribution Voucher, along with other supporting documentation, such as letters from donors, valuation methodology, etc., should be attached to the Journal Voucher recording the transaction.

7. IN-KIND CONTRIBUTION VOUCHERS FOR PERSONAL SERVICES:

In-Kind Contribution Vouchers of Personal Services are used to document in-kind contributions of personal services. Each voucher should give the number of hours worked and a description of the work done for each day in-kind services is rendered. The voucher should also show the total number of hours, the hourly rate and the total value of the services rendered. A voucher should be filled out weekly for each donor. The voucher should be signed by the donor and approved by the person authorized to approve In-Kind Contribution vouchers (See Exhibit H). The In-Kind Contribution Voucher of Personal Services should be attached to the Journal Voucher recording the transaction.

8. PAYROLL AND PERSONNEL RECORDS:

There are certain basic payroll records which are necessary in order to compile payroll data required by Federal and State Laws; such as, gross earnings, income and social security taxes withheld, and such other deductions as may be required by law or local agency policy. Payroll records are usually kept on a calendar year basis with quarterly sub-totals to facilitate the preparation of required payroll reports.

The type of payroll and leave records maintained will ordinarily depend upon the requirements of the personnel policies adopted by the Agency's governing body, the size and organizational structure of the Agency and the type of program.

Employee's Record: This is the record for maintaining personnel information such as the following:

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- ◆ Employee's Name and Address
- ◆ Social Security Number
- ◆ Job Title
- ◆ Date of Employment
- ◆ Date of Termination
- ◆ Date of Birth
- ◆ Salary and/or Hourly Pay Rate
- ◆ Payroll Deductions
- ◆ Number of Dependents
- ◆ Name of Person to be notified in Case of Emergency
- ◆ Other information as may be desired

A separate employee's record may be maintained or may be made part of the individual earnings record.

Time and Attendance Reports: Formal time and attendance reports will be necessary to provide information for the preparation of payroll and to maintain adequate control of vacation and sick leave accruals and usage, overtime, holiday work and paid leave, with respect to each employee.

9. REVOLVING FUND:

A Revolving Fund is a fund that is set up with a separate bank account and a separate general ledger to facilitate the payment of common expenses of an agency administering more than one program.

The purpose of the Revolving Fund is to avoid having to make out a separate check from each program to pay a payroll amount or vendor invoice that is to be prorated or charged to two or more programs.

As noted above, the Revolving Fund is set up with a separate bank account and a separate general ledger. Each project that is to have bills paid by the Revolving Fund on its behalf must advance funds to the Revolving Fund. This advance should approximate 1 to 1 ½ months of average amount the Revolving Fund will pay out each month for that particular project. The Revolving Fund may be used to pay common expenses. Large amounts for contractors under the Development and Modernization programs should be paid directly from those programs.

Each month each of the programs participating in the Revolving Fund account must reimburse the Revolving Fund for the expenditures it has paid out on behalf of that program.

The payments made by the Revolving Fund for each project are recorded as an accounts receivable in the Revolving Fund General Ledger due from the particular program.

The individual programs participating in the Revolving Fund must record an entry each month to charge the proper cost accounts for the expenditures which the Revolving Fund has made on its behalf and to credit an Accounts 2119 Accounts Payable – Revolving Fund. The

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individual Accounts Receivable account by program in the Revolving Fund general ledger must always be matched by a corresponding Accounts Payable – Revolving Fund in the individual projects’ general ledgers.

The accounting transactions required to properly account for the Revolving Fund are set forth below.

To illustrate: The following expenditures were made by the Revolving Fund on behalf of Project No. 000-AH-1:

<u>For</u>	<u>Amount</u>
Office Salaries	\$1,000.00
Office Expenses	200.00
Pension and Other Funds	90.00
Insurance	<u>150.00</u>
Total	<u>\$1,440.00</u>

The following entries would be required:

REVOLVING FUND BOOKS:

<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
1.	1129 Sundry Accounts Receivable - Project No. 000-AH-1	\$1,440.00	
	1112 Revolving Fund Cash		\$1,440.00

*To record expenditures for the month of July
paid by the Revolving Fund on behalf of
Project No. 000-AH-1*

2.	1112 Revolving Fund Cash	1,440.00	
	1129 Sundry Accounts Receivable – Project No. 000-AH-1		1,440.00

*To record reimbursement from Project No.
000-AH-1 for expenditures incurred in July.*

PROJECT NO. 000-AH-1 BOOKS:

<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
1.	1415.1 Salaries – Paid	\$1,000.00	
	1415.10 Office Expense	200.00	
	1415.7 Pension and Other Funds	90.00	
	1415.13 Insurance	150.00	

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2119	Sundry Accounts Payable - Revolving Fund	\$1,440.00
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*To accrue expenditures for the month of July
paid by the Revolving Fund on behalf of
Project No. 000-AH-1.*

2.	2119	Sundry Accounts Payable – Revolving Fund	1,440.00	
	1112	Restricted Cash - Project Account		1,440.00

*To record reimbursement to the Revolving Fund
by Project No. 000-AH-1, for Expenditures
incurred in July.*

10. CONTRACT REGISTER:

A separate Contract Register sheet should be established for each contract award. (See Exhibit I). If a single contract is awarded for construction or other work relating to the development of more than one project, a separate Contract Register sheet should be established for the amount of the contract award applicable to each project. Postings to the Contract Register will generally be made from journal vouchers and the cash disbursements journal. The Contract Register should be totaled periodically, but not less often than at the end of each calendar quarter.

To illustrate: Non-profit agency entered into a contract with J & M Construction, Inc. to rehabilitate 6 units of housing on February 4, 1999 in the amount of \$1,500,000.

The following transactions and related accounting entries occurred. (See Exhibit I for the effects of the following accounting entries on the Contract Register).

	<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
1.	1200	Incompleted Contracts	\$1,500,000.00	
	2322	Contract Awards		\$1,500,000.00

*On Feb 4, 1999, the Agency approves a
contract for construction award given to J & M
Construction, Inc. for \$1,500,000.*

2.	1200	Incompleted Contracts	20,000.00	
	2322	Contract Awards		20,000.00

*On Mar. 1, 1999, Change Order No. 1
approved in the amt. of \$20,000.*

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3.	1430.1	General Construction	40,000.00	
	2322	Contract Awards	40,000.00	
	1200	Incompleted Contracts		40,000.00
	2112	Contract Retentions		4,000.00
	1112	Restricted Cash – Project Account		36,000.00

*Agency pays J & M. Construction, Inc. on
Mar. 5, 1999, for periodical estimate No. 1:
\$40,000 less 10% contract retention.*

4.	2322	Contract Awards	15,000.00	
	1200	Incompleted Contracts		15,000.00

*On Mar. 25, 1999, Change Order No. 2
decreased contract with J & M.
Construction, Inc. by \$15,000.*

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ACCOUNT DEFINITIONS

The accounts listed on the Chart of Accounts are defined in this Section. Questions concerning the classification of charges and credits not covered by the account definitions should be referred to the DECD Audit Division or the Program Division responsible for program oversight, for clarification.

1100-1400 ASSETS

1100 Cash And Receivables:

This group of accounts includes all cash accounts, savings and receivables held by an Agency in the name of, or for the benefit of, a given program. When a given fund consists of more than one bank account, each such bank account shall be designated as a separate sub-account under the applicable fund. For example, if funds are deposited in two banks, the bank accounts are designated as...Fund No. 1 and ...Fund No. 2, respectively, and separate ledger accounts are kept for each bank account; the ledger accounts being designated as Account 1112.1, 1112.2, etc.

1112 Restricted Cash – Project Account(s):

The Agency will establish and maintain in a bank an insured interest earning account which shall be designated “Project Expenditures Account: Project No. _____” to account for all project funds which don’t require use of a Reich & Tang account. The type of account to be opened will be outlined in the Assistance Agreement. Deposits to the Project Expenditures Account shall consist of the following:

1. All funds received from the State on account of the grant-in-aid, loan or advance provided pursuant to the contract.
2. All local cash, except for funds received under Title I of the Federal Housing and Community development Act of 1974 or any revision thereto, or any other federal project which expressly prohibits the deposit of funds in such an account.
3. All other income, including interest, received by the Agency from the administration of the project.
4. The debit balance of this account shall represent the balance of cash in the project’s bank account.

1112.1 Restricted Cash – Reich & Tang:

The Agency will establish and open a Restricted Cash Account - Reich & Tang (1112.1) to account for all project funds required to be maintained by a Reich & Tang bank account . The establishment of a Reich & Tang account will be stipulated in the Assistance Agreement. Deposits to the Reich & Tang Account shall consist of the following:

1. All funds received from the State on account of the grant-in-aid, loan or advance provided pursuant to the contract.

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2. All local cash, except for funds received under Title I of the Federal Housing and Community development Act of 1974 or any revision thereto, or any other federal project which expressly prohibits the deposit of funds in such an account.
3. All other income received by the Agency from the administration of the project.
4. The debit balance of this account shall represent the balance of cash in the project's bank account.

1113 Reserve Cash – Savings And Investments:

The balance in this account shall represent all cash in excess of normal operating requirements. A sub-account shall be maintained for each bank account. Interest earned and recorded on the bank's ledger shall be debited to this account even though not yet entered into the passbook.

1114 Special Deposits:

A separate bank account may be opened to account for unusual transactions that may arise, such as the deposit of money in escrow pending settlement of a transaction.

1116 Escrow Account(s):

The debit balance in this account shall represent the balance of all State funds in the escrow accounts that are used by the Agency for the project.

1117 Petty Cash Fund:

The debit balance of this account represents the amount of cash kept on hand for the payment of nominal expenses. No disbursement shall be made from this fund without a petty cash voucher duly signed by the recipient. Disbursements made to replenish the petty cash fund are debited directly to the appropriate project expense accounts at the time the reimbursement check is recorded in the Cash Disbursements Journal. At all times, total petty cash on hand plus receipts for bills paid must equal the amount of the established fund.

1118 Revolving Loan Fund Cash – Pay Backs And Pay Outs:

This account shall be used for Agencies that administer a Revolving Loan program. The Agency will establish and maintain a separate bank account for which the Agency will deposit paybacks on loans made to borrowers. This account shall be debited (and Account No. 2814 – Income/Expense from Revolving Loan Fund credited) for loan paybacks from borrowers. A separate subsidiary ledger should be maintained to account for all loan receivables.

The disbursements of new loans will be made from this account (Account 1118 credited and Account No. 2814 debited) only after the initial budgeted funds authorized by the Project Financing Plan and Budget (Line item 1410.4-Revolving Loan Fund) have been completely expended. The debit balance of this account shall represent the difference between the paybacks on loans to borrowers and the disbursements (payouts) of new loans to borrowers. The revolving loan outstanding balances and other pertinent information should be transferred from the DECD Project to the Agency's general fund

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after the DECD project is completed and closed out. All subsequent revolving loans should be made for similar purposes as those authorized in the original project budget and should be in accordance with the original loan underwriting criteria, unless otherwise instructed by DECD.

1129 Sundry Accounts Receivable:

The debit balance of this account shall include, but not necessarily be limited to, such items as amounts due from vendors through overcharges which have been noted subsequent to payment of bills, overpayments made to other programs, etc. Accounts shall be maintained with each individual firm, organization, or other entity, in a subsidiary Sundry Accounts Receivable Ledger to be controlled by this account.

1130 Grant/Loan Funds Receivable – State:

This account shall be debited and either Account No. 2312-Loan Authorized by the State or Account 2810-Funding Grant Authorized – State credited for the amount of State funds authorized by the Assistance Agreement, but not yet been received by the Agency. This account shall be credited when funds are received from DECD. The debit balance in this account represents the amount of funds not yet advanced by DECD.

1131 Matching Funds Receivable - Agency:

This account shall be debited (and Account No. 2811 credited) for the total amount of Agency matching funds authorized or budgeted in the Project Financing Plan and Budget. The debit balance of this account represents the amounts of Agency funds that have not been contributed or recognized as expended. This account shall be credited when funds are either contributed to a separate Project Cash account or recognized as expended through a journal entry made by the Agency. If the Agency does not contribute cash to a separate Restricted Cash-Project Account, but accounts for matching expenditures made from its own general funds through a journal entry made to the Project, this account shall be credited and the applicable expenditure line items debited by the value of such transactions. The Agency must maintain sufficient supporting documentation to account for the local match expenditures (i.e. invoices, cancelled checks, contracts, etc.). *Note: See sample accounting entries for proper recording and other common entries.*

1132 Matching Funds Receivable - Other:

This account shall be debited (and Account No. 2812 credited) for the total amount of Other matching funds authorized or budgeted in the Project Financing Plan and Budget. The debit balance of this account represents the amounts of Other matching funds that have not been contributed or recognized as expended. This account shall be credited when other funds are either contributed to a separate Project Cash account or recognized as expended through a journal entry made by the Agency. If the Other entities do not contribute cash to a separate Restricted Cash-Project Account, but account for matching expenditures made from its own general funds, this account shall be credited and the applicable expenditure line items debited by the value of such transactions. The Agency must maintain sufficient supporting documentation to account for the local match

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expenditures (i.e. invoices, cancelled checks, contracts, etc.). *Note: See sample accounting entries for proper recording and other common entries.*

1155 Advances To Revolving Fund:

The debit balance in this account shall equal the amount advanced to the Revolving Fund. This advance shall not be higher than the average periodic reimbursement. The revolving fund should be reimbursed for the exact amount of expenditures paid by the revolving fund on behalf of the respective program. To illustrate, assume that the following expenditures were made by the Revolving Fund on behalf of the Project Fund:

Expenditures	
<u>For</u>	<u>Amount</u>
Salaries.....	\$200.00
Travel.....	100.00
Office Rent	<u>200.00</u>
TOTAL	\$500.00

The following entry would be made in the Project Fund to reimburse the revolving fund:

<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
1415.1	Salaries	\$200.00	
1415.5	Travel	\$100.00	
1415.6	Office Rent	\$200.00	
1112	Cash-Project Account		\$500.00

To record reimbursement to the revolving fund. (Also see explanation in description of Revolving Fund.

1200 Incompleted Contracts:

This account shall be debited with the total amount of all contracts and change orders, and shall be credited with the value of work completed as indicated by contractor's estimates and/or invoices (including retentions). This account is contra to Account No. 2322, Contract Awards. A contract register should be maintained when using this account. *Note:* An example of the accounting entries needed to properly account for contracts are illustrated in the Accounting Records to be Established. A sample Contract Register is provided as Exhibit I.

1400 Net Program Cost:

The debit balance of the accounts in this group represent all eligible costs and expenses of project development which have been capitalized in accordance with a contract for State assistance between the Agency and the State of Connecticut, net of any program income and credits to program costs. These cost classifications correspond with those appearing on the Project Financing Plan and Budget and the Application for Assistance from the Department of Economic and Community Development and the accounts shall be established and maintained in accordance with that plan. This account is used for the

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purpose of reporting the net program cost at the end of an accounting period. The difference between the program income and program expenses shall be reflected by this account for the purpose of balance sheet presentation only. No entries will actually be posted to this account.

1300 PROGRAM INCOME ACCOUNTS

Credits to these accounts represent program income which will be offset against program cost to determine the net program cost of the project.

1310.1 Sale Of Land Or Buildings:

This account shall be credited with all proceeds received from the sale of land or buildings.

1310.2 Rental Of Land Or Buildings:

This account shall be credited with all rentals received from tenants or others occupying dwellings on acquired sites.

1310.3 Sale Of Salvage Or Equipment:

This account shall be credited with all income received from the sale of salvage or equipment no longer needed for program use.

1310.4 Investment Income:

This account shall be credited with all income earned on checking, savings and investment accounts. It shall not include interest earned on the Reich & Tang bank account. (Interest earned on Reich & Tang funds are not available to the Agency and are periodically withdrawn by the State Treasurer).

1310.5 Site Net Income:

This account shall be credited with the income from all residential dwelling units in the Project, which are occupied during development of the Project, but prior to completion of the Project, shall be deposited and credited to this account. Costs chargeable to this account shall include costs associated with the maintenance and operation of said occupied units which are incurred as a result of the occupancy of said units, excluding real estate taxes, insurance and any other items provided for in the Project Financing Plan and Budget. Tenant Subsidiary Ledger cards should be maintained, if applicable. Upon completion of the Project, any net income from such operation shall be paid into the Administration Fund of the ongoing project. *Note: To be used in the MRD and Affordable Housing Programs.*

1310.6 Other Income:

This account shall be credited with all income for which no specific account has been established.

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1400 PROGRAM COST ACCOUNTS

1405 LAND

1405.1 Land Cost/Site Acquisition:

This account shall be charged for the value of land/site as follows:

1. If the Local Agency purchases the property, the purchase price paid shall be charged to this account.
2. If the Local Agency donates the property, the assessed value at the time of donation shall be charged to this account.
3. If an individual donates the property, then the value should be either the value to the donor, or the assessed value.
4. For certain programs, if the property is donated, the value should be the appraised value at time of transfer.

Note: Refer to the particular program manual for the correct valuation.

1405.2 Appraisal Fees:

Charges to this account shall include only those fees for appraisals which have been made on land designated as suitable by the Department of Economic and Community Development.

1405.3 Site Improvements:

Charges to this account shall include any improvements to an existing site such as buildings, landscaping, walks, etc.

1405.4 Water/Utility Hookups:

This account shall be charged with all costs of water and other utility hookups, such as water line installation, used during development, purchased from either private or municipal water plants.

1410 OTHER DEVELOPMENT EXPENSES

1410.1 Training:

This account shall be charged with the cost of the resident training and the costs associated with training new employees. It will include the cost of consultants, and any associated expenses directly incurred by the Agency.

1410.2 Developer's Fee:

This account shall be charged with the developer's fee paid. Charges to this account are restricted by State Regulations and limited to the amounts approved in the Project Financing Plan and Budget. Payment restrictions apply and your state project manager must be consulted before any payment of this fee is made.

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1410.3 Relocation:

This account shall be charged with relocation payments to individuals, families or businesses in connection with the program.

Note: The source of definition for allowable relocation expenses can be obtained from the Uniform Relocation Act or CDBG Program, depending on the type of program involved. (Specific relocation requirements should be directed to the appropriate program staff).

1410.4 Revolving Loan Fund:

This account shall be charged with loans disbursed to qualified borrowers, which are to be repaid to the Agency, and redispensed by the Agency. These funds may only be used for the purposes specified in the Project Financing Plan and Budget.

1415 ADMINISTRATION

1415.1 Salaries:

This account shall include all salaries properly chargeable to a project accrued or paid to employees of the Agency except the salary of the Clerk of the Works (See Account No. 1425.5). It will not include any payroll taxes or employee benefits. In cases of Agencies having other Programs/Projects, an early determination should be made as to whether the amount for salaries under the Project Financing Plan and Budget is in addition to normal salary or whether a new proration should be computed.

1415.2 Accounting:

This account shall be charged for all fees and expenses paid to outside fee accountants or consultants for accounting/bookkeeping services rendered in connection with the operation of the project. Fees paid to for syndication related activities are considered a cost of the partnership and are not to be included.

1415.3 Audit:

This account shall be charged for all fees and expenses paid to an independent public accounting firm in connection with a State and/or Federal Audit or project audit performed in connection with the project. The charges in connection with the State or Federal Single Audit portion of the audit shall only be an eligible to the project to the extent that the ratio of the cost charged to the project shall not exceed the ratios outlined in the State and Federal Single Audit Acts. Fees paid to for syndication related activities are considered a cost of the partnership and are not to be included.

1415.4a Legal- Project Site Acquisition Related:

This account shall be charged with the legal fees associated with acquiring a project site.

1415.4b Legal- DECD Contract Related:

This account shall be charged with the cost for the Opinion Letters for the Assistance Agreement, the Construction Contract, and the Modified Assistance Agreement. This

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account shall not include costs of title examination, recording or negotiation fees for which separate accounts have been provided in the 1415 classification. This account shall also be charged with fees paid to attorneys for legal services related to the development of a project, as provided for by a Project Financing Plan and Budget.

1415.4c Title Examination:

This account shall be charged with all costs in connection with the examination of title, preparation of abstracts and furnishings of reports.

1415.4d Recording Fees:

This account shall be charged with all costs of recording deeds or other instruments in connection with property when such fees are not included in the purchase price.

1415.5 Travel:

This account shall be charged with costs associated with travel on business or meetings in connection with the development of the State-funded Project and meetings related to the DECD Project in general.

1415.6 Office Rent:

This account shall be charged with all rentals paid for office space.

1415.7 Pension And Other Funds:

This account shall be charged with the Agency's share of contributions toward a pension plan, medical insurance and other costs related to salaries and wages. Deductions from compensation of employees for taxes, pension retirement and health and welfare plans, shall not be charged to this account, but shall be considered a part of their gross earnings and charged to the appropriate salary account.

1415.8 Fringe Benefits:

This account shall be charged with the Agency's share of contributions and other costs related to salaries and wages not included in Pensions and Other Funds or Payroll Taxes.

1415.9 Payroll Taxes:

This account shall be charged with the project's share of payroll taxes, including FICA, Medicare Taxes and State and Federal Unemployment Taxes.

1415.10 Office Expense:

This account shall include, but not be limited to the cost of all stationery, office supplies, postage, binders, vouchers and checks, properly chargeable to the program.

1415.11 Communications:

This account shall include all charges for telephone, telegraph, and messenger/answering services.

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1415.12 Advertising:

There shall be charged to this account all advertising costs necessary in procuring bids for demolition, construction, landscaping, and other contracts for project work. Project work shall include all work budgeted in the Project Financing Plan and Budget and all costs subsequently approved as project costs by the Commissioner of DECD.

1415.13 Insurance:

This account shall be charged with the cost of insurance premiums that are not related to the land or buildings. Insurance in this group includes automobile, workers compensation, burglary, fidelity, surety bonds, etc. Insurance that is directly related to the land and buildings should be charged to Account No. 1420.2.

1415.14 Planning:

This account shall be charged with the costs incurred by the client for professional consulting services to plan, evaluate, and prepare reports on the anticipated future use and response to a building, product or real estate land use.

1415.15 Marketing Studies:

This account shall be charged with the costs incurred by the client for professional consulting services to survey, evaluate, and prepare reports on the anticipated market impact and response to a product or real estate land use.

1415.16 Contractual Services:

This account shall be charged with the costs of all contractual service costs relating directly with the functions of the Program/Project. Charges to this account shall include expenditures for services and materials obtained under contractual relationship with vendors.

1420 CARRYING CHARGES:

1420.1 Interest Expense:

This account shall be charged with all interest paid or accrued on loan advances from the Department of Economic and Community Development or other lending institutions. Billings for interest charges will be generated from the Department of Economic and Community Development or lending institutions.

1420.2 Property Insurance:

This account shall be charged with the cost of property and general liability insurance on land and buildings applicable during the Program/Project period. Any other insurance should be recorded under the Administration group of accounts (Acct. 1415.13), if approved by the Department of Economic and Community Development.

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1420.3 Taxes:

This account shall be charged with property taxes paid or accrued applicable to the project during project/development period.

1420.4 Environmental Insurance:

This account shall be charged with the cost of this specific insurance coverage.

1420.5 Acquired Property Operating Expenses:

This account shall be charged with the property management costs for acquired property in connection with the Project, such as property taxes, insurance on buildings to be demolished, utilities, etc. *Note: This account should be used in the HCD program.*

1425 ARCHITECTURAL AND ENGINEERING:

1425.1a Design Consultant/Architect:

There shall be charged to this account all fees paid to the architect in accordance with their contract. It shall include a licensed professional hired to provide design documents for construction of or modifications to a building. An architect could be a landscape architect also, but in most cases not one in the same.

1425.1b Design Consultant/Engineer:

There shall be charged to this account all fees paid to the engineer in accordance with their contract. It shall include a licensed professional hired to provide design documents for structural, electrical, mechanical, and/or plumbing. The Architect hired for building design usually hires these engineers. An Engineer also provides services for the design of roads, utilities, drainage, septic systems, etc.

1425.2 Borings & Test Pits/Environmental Testing:

There shall be included in this account all costs incurred for boring or tests in connection with the selection of sites, or the development of property.

1425.3 Surveys & Maps:

This account shall be charged with the costs of all surveys and maps for which the Agency is required to pay in accordance with the architect's agreement. These may be supplied either by the Agency or by the architect on a reimbursable basis. This account shall also include the cost of any maps required for recording or other purposes.

1425.4 Construction Administrator/Manager:

This account shall be charged with construction oversight of a project usually performed by the Architect or Engineer of record. In some cases, a Construction Manager is hired by the owner to oversee the project in addition to the Architect or Engineer.

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1425.5 Clerk Of The Works:

This account shall be charged with the salary/contractual payments made to the Clerk of the Works. If the Clerk is an employee of the Agency, he/she shall be subject to the personnel and payroll policy of the Agency.

1425.6 Materials Testing:

This account shall be charged with testing materials such as concrete, soils, water, and lumber to verify conformance to specifications or state and local requirements.

1425.7 Supplemental Services:

This account shall be charged with additional services above and beyond what is normally provided for under contract with an Architect or Engineer.

1425.8 Environmental Survey/Investigation:

This account shall be charged with inspection services provided by a licensed Environmental Engineer to inspect property for environmental contamination such as asbestos, oil, heavy metals, chemicals, etc.

1430 CONSTRUCTION

1430.1 General Construction:

This account shall be charged with the total general construction/rehabilitation contract including approved change orders. Where there is more than one contract, as in the case where additions or extensions have been built to the original project, it is suggested that separate sub-account numbers be used.

1430.2 Leasehold Improvements:

This account shall be charged with physical improvements to property which is leased to tenants.

1430.3 Permits:

This account shall be charged with the cost of building permits whenever these charges are not included in the General Contractors bid.

1430.4 Demolition:

This account shall be charged with the cost of demolition and cartage of the demolition material that is not contained within the General Contractors bid price or a related change order.

1430.5 Environmental Remediation:

This account shall be charged with removal of contaminated material from property.

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1435 OTHER WORKING CAPITAL

1435.1 Accounts Receivable:

This account shall be charged with the money that is owed to a company by a customer for products and services provided on credit.

1435.2 Inventory:

This account shall be charged with the company's cost of purchasing its merchandise and raw material to be made into finished goods for sale.

1440 CAPITAL COSTS

1440.1 Machinery & Equipment:

This account shall be charged with the company's cost of purchasing its capital assets for its operations (excludes office equipment and computer equipment).

1440.2 Appraisal (Machinery & Equipment):

This account shall be charged with the cost of obtaining a professional independent valuation of its capital assets.

1445 RESEARCH AND DEVELOPMENT

1445.1 Research And Development:

This account shall be charged with the costs associated with discovering new knowledge about products, processes, and services

1450 FURNISHINGS/EQUIPMENT

1450.1 Office Equipment:

This account will include all items of office furniture and equipment, dwelling equipment, such as, ranges and refrigerators when purchased on separate contracts, and any other equipment specifically provided for by the DECD in the Project Financing Plan and Budget. Charges to equipment shall consist of the original cost, including transportation charges and installation costs. Note: The use of sub-accounts (1450.1a, 1450.1b, etc) may be maintained by the Agency in a subsidiary ledger, but are not required in the General Ledger. All items of Furniture and Equipment shall be properly identified as being the property of the Agency.

1450.2 Computer Software:

This account shall be charged with cost of computer software and the associated expenses, such as spreadsheet programs, word processing programs, accounting programs, etc.

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1450.3 Computer Equipment:

This account shall be charged with the cost of computer equipment, such as the computer harddrive, terminal, laptops, printers, scanners, etc.

1455 CONTINGENCY:

This account is a budgetary account only and no cost shall be charged to it as such. All budget revisions should be approved by DECD through a formal budget revision or any other procedure approved by DECD.

2000 LIABILITIES:

This account group shall include all payables and accruals of the Local Agency as indicated by the account designations that follow:

2112 Contract Retentions:

The credit balance of this account represents the amounts withheld from payment of contractor's periodical estimates or other contracts. All retentions should be in accordance with provisions of the contract.

2113 Deposits During Development:

The credit balance of this account represents the amount of deposits received by the Agency during the development period (exclusive of tenants' security deposits) and subject to possible refund. This includes such items as earnest money, deposits on bids and specifications, deposits by contractors and others in connection with construction and demolition, and deposits, binders, or options on sales of real property owned by the Agency prior to the closing of title. All such deposits shall be deposited in the Project account. This account shall control and be supported by a subsidiary ledger in which accounts shall be maintained for each individual firm, organization, or other entity from whom a deposit is received. Agencies may find it useful to note on each account the conditions surrounding the receipt and possible refund of the deposit.

Refunds of deposits, when made shall be charged to this account. Forfeited deposits, or the difference between the amount of the deposit and the amount refunded, shall be credited to the appropriate project cost account. To illustrate, all unclaimed or forfeited deposits received on bids and specifications shall be credited to Blueprints & Supplies.

2114 Accrued Liabilities:

The credit balance of this account represents costs or expenses applicable to the current period, which are due and payable in a subsequent period. Sub-accounts shall be maintained as follows:

- 2114.1 Accrued Interest
- 2114.2 Accrued Salaries & Wages

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2114.3	Accrued Development Administrative Expense
2114.4	Accrued Payroll Taxes
2114.5	Other Miscellaneous Accruals

2117 Payroll Deductions:

The credit balance of this account represents all amounts deducted from employees' salaries. Sub-accounts shall be maintained as follows:

2117.1	Federal Withholding Tax
2117.2	State Withholding Tax
2117.3	F.I.C.A. Tax
2117.4	Savings Bonds
2117.5	Hospitalization
2117.6	Pensions
2117.7	Other Miscellaneous Deductions

2118 Liability For Advances By Municipality:

The credit balance of this account represents amounts due municipalities on open account. Certain contracts require municipalities to advance seed money prior to DECD advancing funds. This money is normally reimbursed once DECD funds have been advanced.

2119 Sundry Accounts Payable:

The credit balance of this account represents all accounts payable not allocable to other specific accounts.

2120 Interest On Construction/Rehabilitation Loan Payments:

This account shall be credited with interest calculated during the construction/rehabilitation period based on progress payments (advances) to the contractors/borrowers which is then payable to DECD. This amount should be calculated from the date of the first progress payment made to the contractors/borrowers up to the date of the permanent loan closing. (This date should coincide with completion of the construction/rehabilitation.) Interest will be calculated during the construction/rehabilitation period by the Agency and will be payable to the DECD. *Note: This account is applicable to the Housing Development Corporation (HDC), Limited Equity Cooperative (LEC), Mutual Housing and Urban Homesteading Programs.*

To illustrate: Interest computation using a \$10,000 loan at 7% interest. Progress payment (advance) for \$10,000 made on 2/10/87. Permanent loan start date 4/1/87. $\$10,000 \times .07 / 360 \text{ days} = \$1.94 \text{ per day} \times 20 \text{ days (2/11-2/30/87)} = \$38.80.$

(For purposes of calculation all months will be considered 30-day months).

Entry required:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
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1129	Sundry Accounts Receivable – Borrower	38.80
2820	Interest on Construction/Rehabilitation Loan Payments	\$38.80
	<i>To record Interest Earned on Construction Loan payment (advance) to borrower.</i>	

Note: Refer to the DECD Policy and Calculation samples for any further details on Interest calculations.

2312 Loan Authorized By The State:

The credit balance of this account represents the loan amount authorized by the State of Connecticut in the form of a signed Loan Agreement. Separate sub-accounts (2312.1, 2312.2 etc.) should be maintained if there are more than one DECD funding sources funding the Project (i.e. MAA and Urban Act funding within one project). The following entry will be made to record the Authorization:

<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
1130	Grant/Loan Funds Receivable – State	\$1,000,000	
2312	Loan Authorized by the State		\$1,000,000

*To record State Loan Authorized in the Amount of
\$1,000,000, per MAA Assistance Agreement dated*

_____.

2313 Other Loans/Notes Payable:

The credit balance of this account represents loans or notes payable to other lending institutions, entities or individuals other than the State of Connecticut as evidenced by an executed loan agreement.

2322 Contract Awards:

This account which is contra to Account No. 1200, Incompleted Contracts, shall be credited with the total amount of all contracts and change orders and shall be debited with the value of work completed as indicated by contractor's estimates and/or invoices (including retention's). (See Exhibit I - Sample Contract Register)

2800 EQUITY

2810 Funding Grant Authorized - State:

This account is credited (and Account No. 1130 debited) for the total amount of DECD grant funds authorized as evidenced and to the extent of a signed Assistance Agreement and approved Project Financing Plan and Budget. Separate sub-accounts should be utilized if there are multiple DECD Grant Funding Sources contained within a single project budget (i.e. MAA and Urban Act funding within one project).

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2811 Matching Funds Authorized - Agency:

This account is credited and Account No. 1131 debited for the total amount of matching funds authorized in the approved Project Financing Plan and Budget as required to meet the Agency's matching share obligation. The Agency must maintain sufficient supporting documentation to account for the local match expenditures (i.e. invoices, cancelled checks, contracts, etc.). *Note: See sample accounting entries for proper recording and other common entries.*

2812 Matching Funds Authorized - Other:

This account is credited and Account No. 1132 debited for the total amount of other matching funds authorized in the approved Project Financing Plan and Budget as required to meet the matching share obligation from sources other than DECD or the Agency applying for funding. The Agency must maintain sufficient supporting documentation to account for the local match expenditures (i.e. invoices, cancelled checks, contracts, etc.). *Note: See sample accounting entries for proper recording and other common entries.*

2814 Income/Expenses From Revolving Loan Fund:

This account shall be credited with paybacks from revolving loan borrowers. The account should include both principal and interest on Revolving Loans. The disbursements of new loans will be made from this account (Account 1118 credited and Account No. 2814 debited) only after the initial budgeted funds authorized by the Project Financing Plan and Budget (Line item 1410.4-Revolving Loan Fund) have been completely expended.

The credit balance of this account shall represent the difference between the paybacks on loans to borrowers and the disbursements (payouts) of new loans to borrowers. The revolving loan outstanding balances and other pertinent information should be transferred from the DECD Project to the Agency's general fund after the DECD project is completed and closed out. All subsequent revolving loans should be made for similar purposes as those authorized in the original project budget and should be in accordance with the original loan underwriting criteria, unless otherwise instructed by DECD.

2815 Gifts And Donations:

This account shall be used during the program period to record and accumulate all cash and non-cash gifts given by persons, organizations and clubs. Expenditures, when made, in carrying out the purpose of the cash gifts, shall be charged to this account.

2816 Other Contributions:

The credit balance of this account shall represent the total amount of contributions made by the Agency, Developer, Municipality or others, which were not authorized in the approved Project Financing Plan and Budget.

Accounting Manual for DECD Financial Assistance Contracts

SAMPLE ACCOUNTING ENTRIES

The following are common entries that will be needed to account for DECD financial assistance programs. Refer to the Project Financing Plan and Budget for the applicable income and expenditure account categories to be utilized.

The basic accounting cycle is as follows:

The Local Agency enters into an Assistance Agreement with DECD for a business expansion project consisting of Manufacturing Assistance Act and Urban Act Funding as well as a local agency-matching requirement.

Budget

DECD MAA Loan	\$ 500,000
DECD Urban Act Grant	1,000,000
Agency Funds	<u>750,000</u>
Totals	<u>\$2,250,000</u>

Acct. No.	Account	1	Debit	Credit
1130	Grant/Loan Funds Receivable - State		1,500,000	
1131	Matching Funds Receivable - Agency		750,000	
2312	Loan Authorized by the State			500,000
2810	Funding Grant Authorized - State			1,000,000
2811	Matching Funds Authorized - Agency			750,000

To record grant and loan amounts authorized and due from DECD and the Local Agency based on the signed Assistance Agreement.

Acct. No.	Account	2	Debit	Credit
1112	Restricted Cash – Project Account		1,500,000	
1130	Grant/Loan Funds Receivable - State			1,500,000

To record cash advances from DECD.

Acct. No.	Account	3	Debit	Credit
1415.1	Salaries		5,000	
1415.7	Pensions and Other Funds		900	
1415.9	Payroll Taxes		1,500	
1440.1	Machinery and Equipment		75,000	
1131	Matching Funds Receivable - Agency			82,400

To record Matching Fund expenditures on the DECD Project's books for costs paid out of the Agency's general fund for the period 7/1/00 – 7/31/00. Documentation (i.e. cancelled checks, expense account classification, invoices, contracts, etc) must be maintained in a project file to

Accounting Manual for DECD Financial Assistance Contracts

support the Matching share expenditures. *Note: If the Agency advances cash to the Project Account, the accounting entries would be to debit Account 1112-Restricted Cash-Project Account and credit Account 1131- Matching Funds Receivable-Agency to record receipt of funds. When expenditures are made, the appropriate expenditure accounts would be debited and Account No. 1112- Restricted Cash-Project Account would be credited.*

Acct. No.	Account	4	Debit	Credit
1425.1a	Design Consultant/Architect		15,000	
1425.2	Borings & Pits		8,000	
1430.1	General Construction		94,000	
1112	Restricted Cash – Project Account			117,000

To record expenditures paid out of the DECD project account for the period 7/1/00 – 7/31/00.

Acct. No.	Account	5	Debit	Credit
1113	Reserve Cash – Savings & Investments		5,000	
1112	Restricted Cash – Project Account		9,500	
1310.4	Investment Income			5,000
1310.2	Rental of Land or Buildings			9,500

To record cash receipts for the month of July 2000.

Acct. No.	Account	6	Debit	Credit
1440.1	Machinery & Equipment		5,000	
2816	Other Contributions			5,000

To record Machinery & Equipment donated by the Municipality that was not budgeted in the approved Project Financing Plan & Budget.

**Accounting Manual for DECD
Financial Assistance Contracts**

EXHIBITS

Exhibit A – General Ledger

Local Agency Anytown, CT General Ledger						
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Restricted Cash – Project Account					Account 1112	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
2/28/99		CRJ 1	155,450		155,450	
3/31/99		CDJ 1		49,650	105,800	

Grant/Loan Funds Receivable - State					Account 1130	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
1/31/99		JE 1	500,000		500,000	
2/28/99		CRJ 1		165,000	335,000	

Funding Grant Authorized - State					Account 2810	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
1/31/99		JE 1		500,000		500,000

Salaries					Account 1415.1	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
2/28/99		CDJ 1	5,000		5,000	

Payroll Taxes					Account 1415.9	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
2/28/99		CDJ 1	650		650	

General Construction					Account 1430.1	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
3/31/99		CDJ 1	44,000		44,000	

**Accounting Manual for DECD
Financial Assistance Contracts**

Exhibit B – Cash Receipts Journal

Local Agency Anytown, CT Cash Receipts Journal Project No. _____ For the Month of _____									
Date	Receipt No.	Description	Restricted Cash-Project Account ABC Bank	Reserve Cash XYZ Bank	Revolving Loan Fund Cash	Sale of Salvage or Equipment	Investment Income	Misc. General Ledger Acct.	Amount
			Dr (Cr) 1112	Dr (Cr) 1113	Dr (Cr) 1118	(Dr) Cr 1310.3	(Dr) Cr 1310.4		(Dr) Cr
2/1/99	1300	DECD Advance	100,000					1130	100,000
2/6/99		Trans to Savings	(40,000)	40,000					
2/8/99	1301	Dep. On Specs.	100					2119	100
2/10/99	1302	T.Jones-Loan Pmt			650			2814	650
2/12/99	1303	XYZ Town –Local Share	30,000					1132	30,000
2/12/99	1304	N.Smith-Loan Pmt.			750			2814	750
2/20/99	1305	DECD Advance	65,000					1130	65,000
2/21/99	1306	R.Dow	250			250			
2/28/99		Interest Inc.	100				100		
2/28/99		Interest Inc.		85			85		
		Totals	\$155,450	\$40,085	\$1,400	\$ 250	\$ 185		\$ 196,500

**Accounting Manual for DECD
Financial Assistance Contracts**

Exhibit C – Cash Disbursements Journal

Local Agency Anytown, CT Cash Disbursements Journal Project No. _____ For the Month of _____										
Date	Payee	Check No.	Restricted Cash-Project Account	Misc. Account No.	Amount	Land Cost	Salaries	Accounting	Architectural Fees	General Construction
			(Dr) Cr 1112		Dr (Cr)	Dr (Cr) 1405.1	Dr(Cr) 1415.1	Dr(Cr) 1415.2	Dr (Cr) 1425.1a	Dr (Cr) 1430.1
2/1/99	B. Lee	1	\$1,000	2117	\$(200)		\$1,200			
2/5/99	Far CPA	2	260					260		
2/6/99	XYZ Construction	3	30,000	2112	(3,000)					33,000
2/7/99	John Jones	4	750	2117	(250)		1,000			
2/10/99	Bemi Assoc.	5	15,000						15,000	
2/12/99	F. Logan	6	455	2117	(45)		500			
2/20/99	MR Real Estate	7	45,000			45,000				
2/27/99	XYZ Construction	8	20,000	2112	(2,000)					22,000
	Totals		\$112,465		(5,495)	45,000	2,700	260	15,000	55,000

Accounting Manual for DECD Financial Assistance Contracts

Exhibit D – Check Voucher

Local Agency Anytown, CT Check Voucher		
2 nd Copy	Local Agency	Ck. No. 101
	Anytown CT	7/1/99
1 st Copy	Local Agency	Ck. No. 101
	Anytown CT	7/1/99
Original	Local Agency	Ck. No. 101
	Anytown CT	7/1/99

Pay:	Four thousand, two hundred and 00/100 Dollars	\$4,200.00
To the Order of:		
Bemi Assoc. 33 Fenn Street Anytown, CT		

Authorized Signature		

Authorized Signature		
Connecticut Bank	0222-555-00565	101

Please detach stub before depositing.

Date	Items	Expense Acct No.	Amount	Discount	Net Pay
7/1/99	Architect Fees	1425.4a	4,000.00		4,000.00
7/1/99	Surveys & Maps	1425.3	200.00		200.00
Totals			4,200.00		4,200.00

**Accounting Manual for DECD
Financial Assistance Contracts**

Exhibit E – Payment Voucher

Local Agency Anytown, CT Payment Voucher			
Vendor Name and Address: Payee: Bemis Assoc. Address: 33 Fenn St. Anytown, CT			
		Date: 7/1/99 Amount: \$4,200.00 Check No.: 101	
Date of Invoice	Purchase Order No.	Description	Net Amount
7/1/99	1255	Basic Arch Fees	\$4,200.00
7/1/99	1255	Surveys	200.00
Totals			\$4,200.00
Project Charged and Account Classification Project & Contract No. Charged: Housing Rehabilitation – 1999-069-004-000-916-3A			
Expense Account No.	Expense Account Name		Amount
1425.1a	Design Consultant		\$4,000.00
1425.3	Surveys & Maps		200.00
Total			\$4,200.00
Prepared By: _____ Approved By: _____ Entered and Posted By: _____			

**Accounting Manual for DECD
Financial Assistance Contracts**

Exhibit F – Journal Voucher

Local Agency Anytown, CT Journal Voucher			
MAA	1999-083-014-099- 000-2B		99-1
Program Name	Contract No.		Voucher No.
			2/4/99
			Date
Account	Account No.	Debit	Credit
General Construction	1430.1	\$1,500,000	
Sundry Accounts Payable	2119		\$1,500,000
Explanation of Entry:			
To record original Construction contract awarded to J & M Construction, Inc. on 2/4/99 in the amount of \$1,500,000.			
Prepared By:			
Approved By:			
Entered and Posted By:			

**Accounting Manual for DECD
Financial Assistance Contracts**

Exhibit G – In-Kind Contribution Voucher

Local Agency Anytown, CT In-Kind Contribution Voucher		
MAA	1999-083-014-099-000-2B	
Program Name	Contract No.	
City of Sage	3/4/99	
Donor	Date	
Administration Finance Division		
Department or Organization		
Description of Donated Materials, Space, etc.		
Postage 100 letters @ \$.33/letter	\$33.00	
Copies 100 copies @ \$.15/copy	15.00	
Space 150 Sq. ft. @ \$8/ft	1,200.00	
Computer (assessed value)	500.00	
Totals	<u><u>\$1,748.00</u></u>	
Basis of Valuation		
Actual Cost or assessed value		
Expense Account Classification	Expense Account Number	Amount
Office Expense	1415.10	\$48.00
Office Rent	1415.6	1,200.00
Computer Equipment	1450.3	500.00
	Totals	<u><u>\$1,748.00</u></u>
Approved By:		
Entered and Posted By:		

**Accounting Manual for DECD
Financial Assistance Contracts**

Exhibit H – In-Kind Contribution Voucher for Personal Services

Local Agency Anytown, CT In-Kind Contribution Voucher for Personal Services		
MAA	1999-083-014-099-000-2B	
Program Name	Contract No.	
City of Sage – C. Strange	3/4/99	
Donor	Date	
Administration Finance Division		
Department or Organization		
Date	Hours	Work Description
7/20/99	4	Office Management, coordinating program, Job Meetings
7/21/99	3	Budget revisions, approving checks
7/22/99	5	Interviewing candidates
7/23/99	4	Preparing financial statements
Total Hours	<u>16</u>	
Basis of Valuation		
16 hours @ \$20/hour = \$320.00		
Signature of Donor		
Approved By:		

**Accounting Manual for DECD
Financial Assistance Contracts**

Exhibit I – Contract Register

Local Agency Anytown, CT Contract Register			
Program Charged:	MAA		
Contract No.:	1999-083-014-099-000-2B		
Name of Contractor:	J & M Construction, Inc.		
Approved Contract Date:	2/4/99		
Original Contract Award:	\$1,500,000.00		
Estimated Date of Completion:	12/31/99		
Type of Contract:	Leasehold Improvements		
Outstanding Contract Balance			
Date	Description	Amount	Outstanding Contract Balance
2/4/99	Original Contract Award	\$1,500,000.00	\$1,500,000.00
3/1/99	Change Order #1	20,000.00	1,520,000.00
3/5/99	Periodical Estimate Payment #1	(40,000.00)	1,480,000.00
3/25/99	Change Order #2	(15,000.00)	1,465,000.00
4/1/99	Periodical Estimate Payment #2	(82,000.00)	1,383,000.00
4/5/99	Change Order #3	3,500.00	1,386,500.00
5/1/99	Periodical Estimate Payment #3	115,000.00	1,271,500.00

State of Connecticut
Department of Economic and Community Development

Balance Sheet

Applicant		Budget Information	
Contract #1		Grant\$	Loan \$
Contract #2		Grant\$	Loan \$
Project Name		Other Funds \$	
As of			

ASSETS

<u>Acct. No.</u>		
1112	Restricted Cash - Project Account	
1112.1	Restricted Cash- Reich & Tang	
1113	Reserve Cash - Savings & Investments	
1114	Special Deposits	
1116	Escrow Accounts	
1117	Petty Cash Fund	
1118	Revolving Loan Fund Cash - Pay Backs and Pay Outs	
1129	Sundry Accounts Receivable	
1130	Grant/Loan Funds Receivable - State	
1130.1	Grant/Loan Funds Receivable - State	
1131	Matching Funds Receivable - Agency	
1132	Matching Funds Receivable - Other	
1155	Advances to Revolving Fund	
1200	Incompleted Contracts	
1400	Net Program Cost	
TOTAL ASSETS		

LIABILITIES AND EQUITY

Liabilities:

2112	Contract Retentions	
2113	Deposits during Development	
2114	Accrued Liabilities	
2117	Payroll Deductions	
2118	Liability for Advances by Municipality	
2119	Sundry Accounts Payable	
2120	Interest on Construction/Rehab. Loan Payments	
2312	Loan Authorized by the State	
2312.1	Loan Authorized by the State	
2313	Other Loans/Notes Payable	
2322	Contract Awards	
Total Liabilities		

Equity:

2810	Funding Grant Authorized - State	
2810.1	Funding Grant Authorized - State	
2811	Matching Funds Authorized - Agency	
2812	Matching Funds Authorized - Other	
2814	Income/Expenses from Revolving Loan Fund	
2815	Gifts and Donations	
2816	Other Contributions	
Total Equity		
TOTAL LIABILITIES AND EQUITY		

State of Connecticut
Department of Economic and Community Development

Balance Sheet

Applicant		Budget Information	
Contract #1		Grant\$	Loan \$
Contract #2		Grant\$	Loan \$
Project Name		Other Funds \$	
As of			

ASSETS

Acct. No.		
1112	Restricted Cash - Project Account	
1112.1	Restricted Cash- Reich & Tang	
1113	Reserve Cash - Savings & Investments	
1114	Special Deposits	
1116	Escrow Accounts	
1117	Petty Cash Fund	
1118	Revolving Loan Fund Cash - Pay Backs and Pay Outs	
1129	Sundry Accounts Receivable	
1130	Grant/Loan Funds Receivable - State	
1130.1	Grant/Loan Funds Receivable - State	
1131	Matching Funds Receivable - Agency	
1132	Matching Funds Receivable - Other	
1155	Advances to Revolving Fund	
1200	Incompleted Contracts	
1400	Net Program Cost	
TOTAL ASSETS		

LIABILITIES AND EQUITY

Liabilities:

2112	Contract Retentions	
2113	Deposits during Development	
2114	Accrued Liabilities	
2117	Payroll Deductions	
2118	Liability for Advances by Municipality	
2119	Sundry Accounts Payable	
2120	Interest on Construction/Rehab. Loan Payments	
2312	Loan Authorized by the State	
2312.1	Loan Authorized by the State	
2313	Other Loans/Notes Payable	
2322	Contract Awards	
Total Liabilities		

Equity:

2810	Funding Grant Authorized - State	
2810.1	Funding Grant Authorized - State	
2811	Matching Funds Authorized - Agency	
2812	Matching Funds Authorized - Other	
2814	Income/Expenses from Revolving Loan Fund	
2815	Gifts and Donations	
2816	Other Contributions	
Total Equity		
TOTAL LIABILITIES AND EQUITY		

State of Connecticut
 Department of Economic and Community Development
Statement of Program Cost

Applicant			
Contract No.			
Project Name			
DECD Funding:	Grant	Loan	Other Funds
Cummulative Totals For the Period		To	

Acct. No.	Program Income:	APPROVED BUDGET			ACTUAL		
		Non-DECD Funds	DECD Funds	Total Budget	Non-DECD Funds	DECD Funds	Total Actual
1310.1	Sale of Land or Buildings						
1310.2	Rental of Land or Buildings						
1310.3	Sale of Salvage or Equipment						
1310.4	Investment Income						
1310.5	Site Net Income						
1310.6	Other Income						
1300	TOTAL PROGRAM INCOME						

Program Expenditures:							
1405	LAND						
1405.1	Land Cost/Site Acquisition						
1405.2	Appraisal Fees						
1405.3	Site Improvements						
1405.4	Water/Utility Hookups						
	TOTAL LAND						

1410 OTHER DEVELOPMENT EXPENSE							
1410.1	Training						
1410.2	Developer's Fee						
1410.3	Relocation						
1410.4	Revolving Loan Fund						
	TOTAL DEVELOPMENT EXP.						

1415 ADMINISTRATION							
1415.1	Salaries						
1415.2	Accounting						
1415.3	Audit						
1415.4a	Legal-Project Site Acquis. Related						
1415.4b	Legal-DECD Contract Related						
1415.4c	Title Examination						
1415.4d	Recording Fees						
1415.5	Travel						
1415.6	Office Rent						
1415.7	Pensions and Other Funds						
1415.8	Fringe Benefits						
1415.9	Payroll Taxes						
1415.10	Office Expense						
1415.11	Communications						
1415.12	Advertising						

		APPROVED BUDGET			ACTUAL		
		Non-DECD Funds	DECD Funds	Total Budget	Non-DECD Funds	DECD Funds	Total Actual
1415.13	Insurance						
1415.14	Planning						
1415.15	Marketing Studies						
1415.16	Contractual Services						
TOTAL ADMINISTRATION							

1420 CARRYING CHARGES							
1420.1	Interest Expense						
1420.2	Property Insurance						
1420.3	Taxes						
1420.4	Environmental Insurance						
1420.5	Acquired Prop. Operating Exp.						
TOTAL CARRYING CHARGES							

1425 ARCHITECTURAL & ENGINEERING							
1425.1a	Design Consultant/Architect						
1425.1b	Design Consultant/Engineer						
1425.2	Borings & Test Pits/Environ. Testing						
1425.3	Surveys & Maps						
1425.4	Construction Administrator/Mgr.						
1425.5	Clerk of the Works						
1425.6	Materials Testing						
1425.7	Supplemental Services						
1425.8	Environmental Survey/Investigation						
TOTAL ARCH & ENGINEERING							

1430 CONSTRUCTION							
1430.1	General Construction						
1430.2	Leasehold Improvements						
1430.3	Permits						
1430.4	Demolition						
1430.5	Environmental Remediation						
TOTAL CONSTRUCTION							

1435 OTHER WORKING CAPITAL							
1435.1	Accounts Receivable						
1435.2	Inventory						
TOTAL WORKING CAPITAL							

1440 CAPITAL COSTS							
1440.1	Machinery & Equipment						
1440.2	Appraisal (Mach. & Equip.)						
TOTAL CAPITAL COSTS							

1445 RESEARCH & DEVELOPMENT							
1445.1	Research & Development						
TOTAL RES. & DEVELOPMENT							

		APPROVED BUDGET			ACTUAL		
		Non-DECD Funds	DECD Funds	Total Budget	Non-DECD Funds	DECD Funds	Total Actual
1450	FURNISHINGS/EQUIPMENT						
1450.1	Office Equipment						
1450.2	Computer Software						
1450.3	Computer Equipment						
	TOTAL FURNISHINGS/EQUIPMENT						
1455	CONTINGENCY						
	TOTAL PROGRAM COST						
1400	NET PROGRAM COST (1400-1300)						

State of Connecticut
 Department of Economic and Community Development
Statement of Program Cost-Multiple DECD Funding Awards

Applicant		Budget Information		
Contract #1		Grant\$		Loan \$
Contract #2		Grant\$		Loan \$
Project Name		Other Funds \$		
Cummulative Totals For the Period	to			

Acct. No.	Program Income:	APPROVED BUDGET				ACTUAL			
		Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Budget	Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Actual
1310.1	Sale of Land or Buildings								
1310.2	Rental of Land or Buildings								
1310.3	Sale of Salvage or Equipment								
1310.4	Investment Income								
1310.5	Site Net Income								
1310.6	Other Income								
1300	TOTAL PROGRAM INCOME								

Acct. No.	Program Expenditures:	APPROVED BUDGET				ACTUAL			
		Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Budget	Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Actual
1405	LAND								
1405.1	Land Cost/Site Acquisition								
1405.2	Appraisal Fees								
1405.3	Site Improvements								
1405.4	Water/Utility Hookups								
	TOTAL LAND								

Acct. No.	OTHER DEVELOPMENT EXPENSE	APPROVED BUDGET				ACTUAL			
		Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Budget	Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Actual
1410.1	Training								
1410.2	Developer's Fee								
1410.3	Relocation								
1410.4	Revolving Loan Fund								
	TOTAL DEVELOPMENT EXP.								

Acct. No.	ADMINISTRATION	APPROVED BUDGET				ACTUAL			
		Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Budget	Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Actual
1415.1	Salaries								
1415.2	Accounting								
1415.3	Audit								
1415.4a	Legal-Project Site Acquis. Related								
1415.4b	Legal- DECD Contract Related								
1415.4c	Title Examination								
1415.4d	Recording Fees								
1415.5	Travel								

		APPROVED BUDGET				ACTUAL			
		Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Budget	Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Actual
1415.6	Office Rent								
1415.7	Pensions and Other Funds								
1415.8	Fringe Benefits								
1415.9	Payroll Taxes								
1415.10	Office Expense								
1415.11	Communications								
1415.12	Advertising								
1415.13	Insurance								
1415.14	Planning								
1415.15	Marketing Studies								
1415.16	Contractual Services								
	TOTAL ADMINISTRATION								

1420 CARRYING CHARGES									
1420.1	Interest Expense								
1420.2	Property Insurance								
1420.3	Taxes								
1420.4	Environmental Insurance								
1420.5	Acquired Prop. Operating Exp.								
	TOTAL CARRYING CHARGES								

1425 ARCHITECTURAL & ENGINEERING									
1425.1a	Design Consultant/Architect								
1425.1b	Design Consultant/Engineer								
1425.2	Borings & Test Pits/Environ. Testing								
1425.3	Surveys & Maps								
1425.4	Construction Administrator/Mgr.								
1425.5	Clerk of the Works								
1425.6	Materials Testing								
1425.7	Supplemental Services								
1425.8	Environmental Survey/Investigation								
	TOTAL ARCH & ENGINEERING								

1430 CONSTRUCTION									
1430.1	General Construction								
1430.2	Leasehold Improvements								
1430.3	Permits								
1430.4	Demolition								
1430.5	Environmental Remediation								
	TOTAL CONSTRUCTION								

		APPROVED BUDGET				ACTUAL			
		Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Budget	Non-DECD Funds	DECD Contract No. 1	DECD Contract No. 2	Total Actual
1435	OTHER WORKING CAPITAL								
1435.1	Accounts Receivable								
1435.2	Inventory								
	TOTAL WORKING CAPITAL								
1440	CAPITAL COSTS								
1440.1	Machinery & Equipment								
1440.2	Appraisal (Mach. & Equip.)								
	TOTAL CAPITAL COSTS								
1445	RESEARCH & DEVELOPMENT								
1445.1	Research & Development								
	TOTAL RES. & DEVELOPMENT								
1450	FURNISHINGS/EQUIPMENT								
1450.1	Office Equipment								
1450.2	Computer Software								
1450.3	Computer Equipment								
	TOTAL FURNISHING/EQUIPMENT								
1455	CONTINGENCY								
	TOTAL PROGRAM COST								
1400	NET PROGRAM COST (1400-1300)								

State of Connecticut
Department of Economic and Community Development

Balance Sheet (Sample)

Applicant: XYZ Corp

Contract No. 1 : 1999-064-013-000-000055

Contract No. 2 _____

Project Name : Business Expansion Project

At: June 30, 2000

Budget Information

Grant \$1,500,000 (2) Loan \$ 200,000 (2)

Grant \$ _____ Loan \$ _____

Other Funds \$ 500,000 (4)

ASSETS

Acct.

No.

1112	Restricted Cash - Project Account	\$8,142.90	(5)
1112.1	Restricted Cash- Reich & Tang	25,000.00	(5)
1113	Reserve Cash - Savings & Investments	5,000.00	(5)
1114	Special Deposits		
1116	Escrow Accounts		
1117	Petty Cash Fund	100.00	
1118	Revolving Loan Fund Cash - Pay Backs and Pay Outs		
1129	Sundry Accounts Receivable	113.75	(6)
1130	Grant/Loan Funds Receivable - State <u>1999-064-013-000-000055</u>	215,000.00	(1)
1130.1	Grant/Loan Funds Receivable - State _____		
1131	Matching Funds Receivable - Agency	15,000.00	(4)
1132	Matching Funds Receivable - Other		
1155	Advances to Revolving Fund		
1200	Incompleted Contracts		
1400	Net Program Cost	1,970,000.00	(3)
	TOTAL ASSETS	\$2,238,356.65	

LIABILITIES AND EQUITY

Liabilities:

2112	Contract Retentions	\$10,000.00	
2113	Deposits during Development		
2114	Accrued Liabilities	12,962.47	
2117	Payroll Deductions		
2118	Liability for Advances by Municipality		
2119	Sundry Accounts Payable	15,394.18	(6)
2120	Interest on Construction/Rehab. Loan Payments		
2312	Loan Authorized by the State <u>1999-064-013-000-000055</u>	200,000.00	(2)
2312.1	Loan Authorized by the State _____		
2313	Other Loans/Notes Payable		
2322	Contract Awards		
	Total Liabilities	238,356.65	

Equity:

2810	Funding Grant Authorized - State <u>1999-064-013-000-000055</u>	\$1,500,000.00	(2)
2810.1	Funding Grant Authorized - State _____		
2811	Matching Funds Authorized - Agency	400,000.00	(4)
2812	Matching Funds Authorized - Other	100,000.00	(4)
2814	Income/Expenses from Revolving Loan Fund		
2815	Gifts and Donations		
2816	Other Contributions		
	Total Equity	2,000,000.00	
	TOTAL LIABILITIES AND EQUITY	\$2,238,356.65	

State of Connecticut
Department of Economic and Community Development
Statement of Program Cost (Sample)

Applicant : XYZ Corp.

Contract No.1999-064-013-000-000055

Project Name: Business Expansion Project

DECD Funding: Grant \$ 1,500,000 Loan \$200,000 Other Funds \$500,000

Cummulative Totals For the Period: January 1, 2000 to June 30, 2000

Acct. No.	Program Income:	APPROVED BUDGET			ACTUAL		
		Non-DECD Funds	DECD Funds	Total Budget	Non-DECD Funds	DECD Funds	Total Actual
1310.1	Sale of Land or Buildings			-			-
1310.2	Rental of Land or Buildings			-			-
1310.3	Sale of Salvage or Equipment			-			-
1310.4	Investment Income			-			-
1310.5	Site Net Income			-			-
1310.6	Other Income			-			-
				-			-
1300	TOTAL PROGRAM INCOME	-	-	-	-	-	-

Program Expenditures:							
1405	LAND						
1405.1	Land Cost/Site Acquisition	\$ 3,000.00	\$ 15,000.00	\$ 18,000.00	\$ 2,000.00	\$ 14,000.00	\$ 16,000.00
1405.2	Appraisal Fees		10,000.00	10,000.00		9,000.00	9,000.00
1405.3	Site Improvements			-			-
1405.4	Water/Utility Hookups	5,500.00		5,500.00			-
				-			-
	TOTAL LAND	8,500.00	25,000.00	33,500.00	2,000.00	23,000.00	25,000.00

1410	OTHER DEVELOPMENT EXPENSE						
1410.1	Training	90,000.00		90,000.00	90,000.00		90,000.00
1410.2	Developer's Fee			-			-
1410.3	Relocation	10,000.00		10,000.00	8,500.00		8,500.00
1410.4	Revolving Loan Fund			-			-
				-			-
	TOTAL DEVELOPMENT EXP.	100,000.00	-	100,000.00	98,500.00	-	98,500.00

1415	ADMINISTRATION						
1415.1	Salaries	31,500.00		31,500.00	31,500.00		31,500.00
1415.2	Accounting			-			-
1415.3	Audit			-			-
1415.4a	Legal-Project Site Acquis. Related		75,000.00	75,000.00		65,000.00	65,000.00
1415.4b	Legal-DECD Contract Related			-			-
1415.4c	Title Examination			-			-
1415.4d	Recording Fees		2,500.00	2,500.00		2,200.00	2,200.00
1415.5	Travel			-			-
1415.6	Office Rent			-			-
1415.7	Pensions and Other Funds			-			-
1415.8	Fringe Benefits			-			-
1415.9	Payroll Taxes			-			-
1415.10	Office Expense			-			-
1415.11	Communications			-			-
1415.12	Advertising			-			-

		APPROVED BUDGET			ACTUAL		
		Non-DECD Funds	DECD Funds	Total Budget	Non-DECD Funds	DECD Funds	Total Actual
1415.13	Insurance			-			-
1415.14	Planning			-			-
1415.15	Marketing Studies			-			-
1415.16	Contractual Services			-			-
				-			-
TOTAL ADMINISTRATION		31,500.00	77,500.00	109,000.00	31,500.00	67,200.00	98,700.00

1420 CARRYING CHARGES							
1420.1	Interest Expense			-			-
1420.2	Property Insurance	46,000.00		46,000.00	40,000.00		40,000.00
1420.3	Taxes	20,000.00		20,000.00	18,000.00		18,000.00
1420.4	Environmental Insurance			-			-
1420.5	Acquired Prop. Operating Exp.			-			-
				-			-
TOTAL CARRYING CHARGES		66,000.00	-	66,000.00	58,000.00	-	58,000.00

1425 ARCHITECTURAL & ENGINEERING							
1425.1a	Design Consultant/Architect	45,000.00	150,000.00	195,000.00	44,000.00	140,000.00	184,000.00
1425.1b	Design Consultant/Engineer		25,000.00	25,000.00		23,500.00	23,500.00
1425.2	Borings & Test Pits/Environ. Testing			-			-
1425.3	Surveys & Maps			-			-
1425.4	Construction Administrator/Mgr.			-			-
1425.5	Clerk of the Works		75,000.00	75,000.00		74,000.00	74,000.00
1425.6	Materials Testing			-			-
1425.7	Supplemental Services			-			-
1425.8	Environmental Survey/Investigation			-			-
				-			-
TOTAL ARCH & ENGINEERING		45,000.00	250,000.00	295,000.00	44,000.00	237,500.00	281,500.00

1430 CONSTRUCTION							
1430.1	General Construction	99,000.00	817,500.00	916,500.00	90,000.00	781,000.00	871,000.00
1430.2	Leasehold Improvements		20,000.00	20,000.00		15,000.00	15,000.00
1430.3	Permits		5,500.00	5,500.00		4,000.00	4,000.00
1430.4	Demolition			-			-
1430.5	Environmental Remediation			-			-
				-			-
TOTAL CONSTRUCTION		99,000.00	843,000.00	942,000.00	90,000.00	800,000.00	890,000.00

1435 OTHER WORKING CAPITAL							
1435.1	Accounts Receivable			-			-
1435.2	Inventory			-			-
				-			-
TOTAL WORKING CAPITAL		-	-	-	-	-	-

1440 CAPITAL COSTS							
1440.1	Machinery & Equipment	100,000.00	420,000.00	520,000.00	75,000.00	400,000.00	475,000.00
1440.2	Appraisal (Mach. & Equip.)			-			-
				-			-
TOTAL CAPITAL COSTS		100,000.00	420,000.00	520,000.00	75,000.00	400,000.00	475,000.00

1445 RESEARCH & DEVELOPMENT							
1445.1	Research & Development	50,000.00		50,000.00	40,000.00		40,000.00
				-			-
TOTAL RES. & DEVELOPMENT		50,000.00	-	50,000.00	40,000.00	-	40,000.00

		APPROVED BUDGET			ACTUAL		
		Non-DECD Funds	DECD Funds	Total Budget	Non-DECD Funds	DECD Funds	Total Actual
1450	FURNISHINGS/EQUIPMENT						
1450.1	Office Equipment			-			-
1450.2	Computer Software		4,500.00	4,500.00		3,300.00	3,300.00
1450.3	Computer Equipment			-			-
				-			-
	TOTAL FURNISHINGS/EQUIPMENT	-	4,500.00	4,500.00	-	3,300.00	3,300.00
1455	CONTINGENCY		80,000.00	80,000.00			
	TOTAL PROGRAM COST	\$ 500,000.00	\$ 1,700,000.00	\$ 2,200,000.00	\$ 439,000.00	\$ 1,531,000.00	\$ 1,970,000.00
1400	NET PROGRAM COST (1400-1300)	\$ 500,000.00	\$ 1,700,000.00	\$ 2,200,000.00	\$ 439,000.00	\$ 1,531,000.00	\$ 1,970,000.00

(3)

State of Connecticut
Department of Economic and Community Development
Applicants Certification for Project Financial Statements

Applicant	<input type="text"/>	DECD Funding No. 1	<input type="text"/>
Contract No. 1	<input type="text"/>	DECD Funding No. 2	<input type="text"/>
Contract No. 2	<input type="text"/>		
Project Name	<input type="text"/>		
For the Period	<input type="text"/>		

* I hereby certify that the accompanying Balance Sheet and Cumulative Statement of Program Cost are, to the best of my knowledge and belief, a complete and accurate reporting of the State Assistance Project(s) entered into with the Department of Economic and Community Development (DECD).

* It is further understood that the DECD has the right to recover any amounts that have not been properly expended in accordance with the Assistance Agreement and Project Financing Plan and Budget.

Applicant:

Printed Name and Title of Authorized Officer

Signature of Authorized Officer

Date

